

Industry Books

The
100 Best
Business
Books
of All Time

100 Best Business Books of All Time

What They Say, Why They Matter, and How They Can Help You

JACK CONWAY and TODD SATERSTEIN

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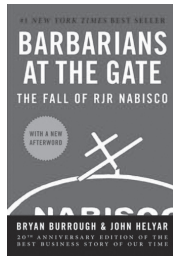
Part investigative journalism, part biography,

INDUSTRY BOOKS are the true crime novels of the business book genre. Yet a successful industry book uncovers not only the dark side of an industry, but also its appeal, its place in history, its essential contributions. Exposing the inner workings of one industry—and the habits of its consumers—can in turn reveal much about business as a whole and even more about human nature.

In a sidebar tucked into *The 100 Best Business Books of All Time*, we briefly recommended some of our favorite industry books. We declined to include a full chapter of reviews in the book because sometimes the shelf-life of these tales is too short and applicability is lost. But our fondness for this category of business book inspired us to create a “lost” chapter of *The 100 Best*—a peek into some investigative page-turners that will make you wiser about how the world and many of its essential industries work.

Barbarians at the Gate

BRYAN BURROUGH AND JOHN HELYAR



Written by two former *Wall Street Journal* reporters, *Barbarians at the Gate* took the business book world by storm in 1989. The *Los Angeles Times Book Review* called it “unflawed.” The *New York Times Book Review* called it “a first-rate thriller.” And while many of us, having lived through the subsequent financial drama of the 1990s and the current economic crisis, may think this is an old story, *Barbarians at the Gate* remains relevant and riveting. The takeover of RJR Nabisco Corporation

through a leveraged buyout by private equity firm KKR set the scene for everything that has happened on Wall Street since. Authors Bryan Burrough and John Helyar say it best: “[F]or those six weeks in 1988, when a new set of business barons vied to own a huge company and to be top dog on Wall Street, the planets were so perfectly aligned. The zeitgeist of an age was on full display in the war for RJR: raw emotions and colliding egos; improbable plot twists and even more improbable characters.”

They begin their book as any playbill does with an introduction of characters. Then they open their story with a tense scene: a meeting between the RJR Nabisco board and its CEO, F. Ross Johnson, who uses an annual meeting to announce his plans to buy out the company. The board agrees, but with one caveat: that they make a public announcement immediately. This means two things to everyone in the room: First, because of the enormous amount of capital needed for a leveraged buyout, a public announcement could kill a deal in its infancy. And, second, making this news public invited corporate raiders to make their own pitch. Johnson agreed to the announcement, making the fatal flaw of believing no one would want or be able to buy such a behemoth.

What follows is the history of how this pivotal moment came to be, and the fascinating aftermath that resulted when, to everyone’s surprise (or perhaps naïveté), a number of competitors stepped in to compete for the company. Burrough and Helyar begin in 1976 when Johnson was a young executive, full of ambition and aggression. Johnson was good at spending money and making money. The authors chronicle Johnson’s rise at Standard Brands and the subsequent unpleasant merger with Nabisco,

describing the way he forced his free-wheeling ways onto Nabisco’s traditions and then tired of fighting for Nabisco’s future against its upstart competitors. He “never bothered to formulate any kind of master plan for reshaping Nabisco” and, instead, met with RJ Reynolds Industries, the tobacco giant, in hopes of a merger.

The authors continue by laying out the history of RJ Reynolds, the merger with Nabisco, and Johnson’s success in gaining the top office and moving the company headquarters out of Winston-Salem. But despite his accomplishments, Johnson once again got restless—he loved war and its spoils, not the mundanity of maintenance. In the financial climate of that time, when takeovers and mergers and buy-outs were happening with ferocity and frequency, the masters of Wall Street predicted that RJR Nabisco, led by the mercurial Johnson, would soon do something big. It did.

“Johnson was gracious in defeat. Arriving at Nine West, the first thing he did was open the bar.”

Despite the fact that the buyout of RJR would be three times bigger than the biggest in history, and contrary to Johnson’s prediction, there were plenty of competitors in the race for RJR Nabisco. The second half of the book details the warring factions amongst these competitors in the financial industry and the strong personalities driving the deals and manipulating the situation. While Johnson worked in tandem with Shearson Lehman to organize his leveraged buyout, other equity firms joined the race, including the ultimate winner, KKR. At times it is a challenge to keep all of the players straight once the competition begins, but Burrough and Helyar do a fine job of giving each a face and history and inner life to be remembered.

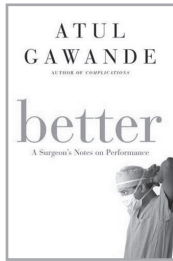
Barbarians at the Gate is a page-turner of the best sort. It’s engrossing, informative, and revealing. And it provides a warning, still topical, that it’s the people behind the money who make Wall Street both dramatic and dangerous.

Barbarians at the Gate: The Fall of RJR, Collins Business, Revised 2008, ISBN 9780061655548

EVEN MORE » *The Last Tycoons* by William D. Cohan

Better

ATUL GAWANDE



Medicine, surgeon Atul Gawande says, is much like any other business. Success in the industry “requires making a hundred small steps go right—one after the other, no slip-ups, no goofs, everyone pitching in. We are used to thinking of doctoring as a solitary, intellectual task. But making medicine go right is less often like making a difficult diagnosis than like making sure everyone washes their hands.” To attain excellence, each individual must commit to excellence. Yet how is 100% compliance attainable? And even with such commitment, given that human work is done by humans, how can mistakes not be inevitable? Gawande concedes that perfection is impossible—for himself as well—but he moves forward to explore the ways in which medical professionals can be better and work better. And in reflecting on his field, he teaches us all those same lessons.

“Yet somehow we must advance, we must refine, we must improve.”

Gawande, a staff writer for *The New Yorker* as well as a surgeon, says that to be “better” takes three things: diligence, or constant attention to detail; doing right, or making morally correct decisions and not letting power or influence dissuade you from acting in the best interest of those you are meant to help; and ingenuity, or the constant search for what is new and improved. Gawande makes it clear, however, that even though

the best may never be attainable—strivers may feel like Sisyphus rolling the boulder up the mountain—being *better* is a noble pursuit.

Better is a collection of medical stories, told with both expertise and the easy energy of a natural storyteller. Throughout the three sections that comprise the book, he includes stories of how the medical industry continues to struggle to be better, from the effort to get doctors, nurses, and other medical staff to wash their hands (thus eliminating patient infections, which result in a surprising number of deaths and lengthy illnesses) to attempting to eradicate polio in India. Gawande also explores moral dilemmas, such as a medical professional’s decision to participate or not participate in the executions of criminals.

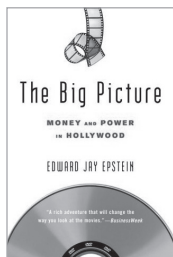
The stories Gawande tells in *Better* are stories about medicine, but will resonate with every person in any field. For example, we don’t need to take too far a step into business to see the similarities of Gawande’s theme to the continuous improvement process. In every industry, these stories find parallels because they are stories about the struggles inherent in being human and the challenge we all face to become better.

Better: A Surgeon's Notes on Performance, Metropolitan Books, Hardcover 2007, ISBN 9780805082111

EVEN MORE » *Grave Matters* by Mark Harris

The Big Picture

EDWARD JAY EPSTEIN



When the Writers Guild of America went on strike in 2007, the large studios were making an enormous amount of money from the new DVD and Internet market, and the writers' unions did not feel that their members were being fairly compensated. But for most people, despite the momentary media attention on the inner imbalance within these money-making giants, little is understood about just how studios make money, spend that money, and distribute that money. Edward Jay Epstein's *The Big Picture* unspools a tale of two Hollywoods, exposing how the creative and commercial practices of film studios have changed over time.

One is the Hollywood of the past. In the first half of the twentieth century studios ran the show, studios controlled the stars, and studios reaped the monetary rewards from their movies. The second half of the century saw the mergers and takeovers of the studios, and the studio system's gradual evolution into six multi-media entertainment giants. He calls each "a dream clearinghouse rather than a dream factory." Movie releases do not make money; the merchandise surrounding a movie makes the money. The stars get money not according to some studio contract but in keeping with agreements made before a movie is even produced—regardless of the movie's returns. Epstein encourages a realistic look at this new Hollywood, one that recognizes its current state of global economic power, and does not romanticize its previous incarnation.

Once establishing the current Hollywood system, Epstein breaks down the making of a movie: the idea, the writing, the hiring, the planning, the spending. He shows that there is "business" behind every decision, and very little of what we see on movie screens is related to vision, or dream-making. Epstein details just how these entertainment companies make their money through merchandise like toys and DVD sales. *The Big Picture* is replete with stories of stars and films that readers will recognize, giving it a kind of insider feel that any movie buff will enjoy.

And like all areas of art in this growing age of technology, Epstein warns that even commercial movies are at risk of being overtaken by folks with more computer than creative skills. And yet, perhaps the power of

the vision will live on. After all, Epstein explains, "Every movie begins with an idea. It may be no more than the proverbial note scrawled on the back of an envelope, the name of a book that could be optioned, a magazine article or original story that could be adapted, or an old movie or play that could be remade with a new star."

"Stars become far more valuable if their audience perceives them not just as actors in movies but as heroes who transcend their movies."

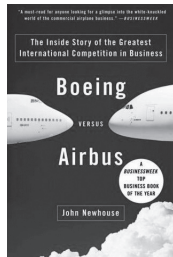
In *The Big Picture*, Epstein opens the doors to the seldom-seen background operations of Hollywood and the six major media companies that rule the business. Though the industry has changed over the years, the money and power Epstein references in his subtitle continues to offer compelling stories that inspire both disbelief and dreams.

The Big Picture: Money and Power in Hollywood by Edward Jay Epstein, Random House, Paperback 2006, ISBN 9780812973822

EVEN MORE » *You'll Never Eat Lunch in this Town Again* by Julia Phillips

Boeing Versus Airbus

JOHN NEWHOUSE



In *Boeing Versus Airbus*, John Newhouse tells an elegant history of the aircraft industry via the feud between Seattle's Boeing and its upstart European competitor, Airbus. For more than two decades, after outpacing the rest of the competition, Boeing and Airbus jockeyed for the right to be named leader of the industry. In this book, Newhouse chronicles what he describes as "the longest-lasting, most episodic and evenly balanced competition the industry has seen."

So how did Airbus, a nearly unknown entity only two decades before, manage to compete with the industry's giant, Boeing? Newhouse explains that "[t]his is a people industry, even if it is technology driven. Those who succeed are individuals with vision and guts and a sure sense of their companies' interests, as distinct from their own." And Airbus' CEO Jean Pierson was just the kind of person to drive a company by wielding his dominating personality alone. At the same time of Airbus' growth, Boeing, which had been leading the race for industry dominance, lost its visionary leader, T. Wilson, and as a result the company lost its vision and focus.

"The rough-and-tumble business in which Airbus and Boeing battle for every sale is strewn with traps. Nothing is certain until the contracts are signed."

While Airbus was creating airplane sizes that spanned all markets, Boeing ignored the mid-size market and lost customers as a result. But Boeing's problems were multi-layered. Newhouse explains: "For much of

that time, Boeing held a commanding lead, its supremacy not really contested.... Boeing, complacent and risk averse, became less committed to the fundamentals of its trade—building new and better models and treating airline customers with care. Airbus, on the other hand, was stressing the fundamentals, gaining credibility, making a dent in the market, and even beginning to scent blood." Until, that is, the early 2000s: again the mantle of power shifted from the shoulders of Airbus back to those of Boeing. Its new 787 turned Boeing's fortunes around at the same time Airbus was in a quagmire of European Union politics, failed leadership, and a failed superjumbo jet.

Newsome ends his book on a provocative note, pondering the possibility of Boeing's continued success and Airbus' potential ability to bounce back from its disastrous attempt at producing its superjumbo. Who will win this war, as the duopoly continues to compete far into the future, particularly for the lucrative middle market, he speculates, is anyone's best guess.

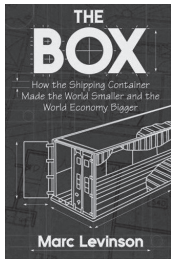
Boeing Versus Airbus is a tale of competition, politics, leadership, and creativity. While readers will learn a substantial amount about the aviation industry, the greater moral of the story is that both makers failed at maintaining their successes by giving into complacency and reacting poorly to the demands of the market. And that is an important lesson in any industry.

Boeing Versus Airbus: The Inside Story of the Greatest International Competition in Business, Vintage, Hardcover 2008, ISBN 9781400078721

EVEN MORE ► *Do the Right Thing* by James F. Parker

The Box

MARC LEVINSON



“Necessity is the mother of invention.” That sentiment brings to mind everything from Alexander Graham Bell’s telephone to the primary colors of the ubiquitous Google logo. But sometimes the best inventions are those that receive little notice at all. In his 2006 book, *The Box*, economist Marc Levinson focuses his attention on the humble shipping container and declares containerization the start to nothing less than globalization. Yes, those metal boxes you see speeding by on the backs of railroad flatcars, stacked up and seemingly left for dead at the nearest port, or hooked up to a big rig and floating down the interstate—Levinson believes they changed the world.

Levinson begins his book in 1956, when fifty-eight aluminum containers were loaded onto a ship and taken from New Jersey to Texas. Even he seems incredulous that this thing, this box, could bear such significance to the future working of the world economy. He describes a shipping container as: “A soulless aluminum or steel box held together with welds and rivets, with a wooden floor and two enormous doors at one end: the standard container has all the romance of a tin can.” Yet the container made shipping vastly more cost effective at a time when it didn’t pay—or was simply unthinkable—to ship products around the world. Companies suddenly became international, both in import and export, with the advent of the container and consumers enjoyed more options—and often cheaper ones.

Levinson credits one man in particular for the invention, telling the tale of Malcom McLean, an ambitious southerner who grew a one-man trucking operation in 1934 to a multi-million dollar business by 1940. McLean was a businessman through and through with a one-track mind: money. In 1953, faced with the changes in the trucking industry following the war and the greater prevalence of automobiles crowding the roads, he thought out of the box (pun intended). Levinson explains: “Malcom McLean’s fundamental insight, commonplace today but quite radical in the 1950s, was that the shipping industry’s business was moving cargo, not sailing ships.”

Not only did the shipping and trucking industries immediately change with the advent of the shipping container, but so did cities and the ports they had grown up around. The containerization of shipping rendered New York’s port a disaster, reports Levinson, leaving thousands of port and factory workers unemployed and enabling smaller cities to accommodate deliveries, thus cutting the amount of shipping, trucking, and railroading traffic centralized in New York City.

Rife with lively descriptions of the shipping industry pre-containerization—“Sweltering holds, icy docks, and rain-slicked gangways were part of the job”—and post-containerization—“Each time the crane places an incoming container on one vehicle, it picks up an outbound container from another, simultaneously emptying and filling the ship”—*The Box* entertains at every turn of the page. It also surprises, in part because few people spend much time thinking about shipping containers, and in part because of the descriptive and almost loving way Levinson tells the story.

“[The container] has no engine, no wheels, no sails: it does not fascinate those captivated by ships and trains and planes, or by sailors and pilots.”

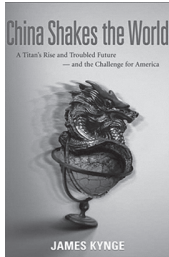
In the final half of *The Box*, Levinson leaves the United States and goes global, discussing the shipping container’s effect on trade and the world economy. Some areas of the world have benefited from the revolutionary effects of container shipping while others, notably land-locked countries or those with a cargo flow imbalance, have been hurt by the changes. Our world looks different because the shipping “container proved to be such a dynamic force that almost nothing it touched was left unchanged....” After reading *The Box*, your own regard for these remarkable boxes will undoubtedly change as well.

The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger, Princeton University Press, Hardcover 2006, ISBN 9780691123240

EVEN MORE » *Uncommon Carriers* by John McPhee

China Shakes the World

JAMES KYNGE



China Shakes the World was on the short list for the 2006 Financial Times/Goldman Sachs Business Book of the Year award. That year, there were so many other books about China on the market, including this one, *Mr. China*, and *Oracle Bones*, that it was difficult for reviewers to keep them straight. While the other two books mentioned are good reads, this book is utterly brilliant, head and shoulders above any other available on the subject. The author, James Kynge, lived in China and was the *Financial Times*' bureau chief in Beijing for many years, and, as such, gives us a detailed and contextual look at what is really going on in that country.

At the dawn of this century, China's potential as a market exploded when it joined the World Trade Organization. This was great news for international business. But Kynge's take on the potential of China's market is cautious since China's culture dictates its citizens' purchasing tendencies. He writes:

"[I]f foreign businessmen arrive in China transfixed by size and scale, many of them depart haunted by the concept of share. They envisage being able to sell their products to a multitude of Chinese and then watch as the hoped-for multitude is sliced and diced into morsels. Only certain sections of society are willing buyers of most products, and reaching them is made difficult by layers of local protectionism. When a market is finally found, aggressive domestic competitors have usually got there first. The fabled billion-person market is frequently reduced to a fraction in the figment of a dream." Kynge believes that American and European manufacturers will struggle when competing against China. But Kynge is also careful to portray the impact China has had not only on the world economy but also on the environment. When China does increase the demand for a certain product, it impacts the availability and sustainability of that product. The question, he seems to be hinting at, is whether the reward is worth the risk.

In addition to the shadow China casts on the global marketplace, it must also fight against its own internal forces. With its economy growing

at 10%+, China is several million jobs short of the required 25 million new job applicants. That is a significant reason why China needs to grow at such extraordinary rates. Kynge explains that "if the growth rates were to drop dramatically, the convulsions would be almost certain to intensify. As economists in Beijing are fond of saying, China is like an elephant riding a bicycle. If it slows down, it could fall off, and then the earth might quake." And yet, Kynge makes clear, awkward as it may be, China is a powerhouse, one bolstered by history and motivated by ambition.

"It is this flexibility and pragmatism, visible in China's transformation over and over again, that supplies the counterargument to future scenarios full of doom and gloom."

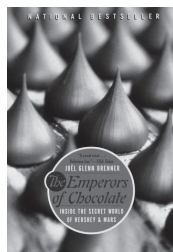
The reason *China Shakes the World* was our pick for the best book on China released in 2006, as well as a choice for this best of industry list, is Kynge's ability to bring the story home to all of us standing outside of China and looking in, to make sure we understand just how China's internal customs and decisions impact the products we buy and the products we sell. (Adapted from Jack Covert Selects, December 2006.)

China Shakes the World: A Titan's Rise and Troubled Future—and the Challenge for America, Houghton Mifflin, Hardcover 2006, ISBN 9780618705641

EVEN MORE » *In Spite of the Gods* by Edward Luce

The Emperors of Chocolate

JOEL GLENN BRENNER



A book about the American chocolate industry is almost as hard to resist as the sweet confection itself. But in *The Emperors of Chocolate*, Joel Glenn Brenner, a former reporter for *The Washington Post*, exposes cutthroat competition, high-level egos, and a history of society-altering practices, on par with those of the automotive or pharmaceutical industries.

Brenner sets the scene by featuring a selection from Roald Dahl's *Charlie and the Chocolate Factory*: "Oh, how he wished he could go inside the factory and see what it was like." Like Dahl's chocolate factory, the chocolate industry is not only a magical place, but also a secret and mysterious one. Yet there was a war between industry giant rivals, Hershey and Mars, that begged to be uncovered, although doing so was more difficult than one might suppose. Mars did not speak to the press, and only after an entire year did Brenner win entry....and only due to Mars' desire to correct what they saw as misrepresentations in the press. Eventually, though, Brenner's story for the *Washington Post Magazine* displeased the Mars family and ended the cooperation.

Brenner realized after writing his article that he did not want to stop researching the intriguing relationship between Hershey and Mars (which includes the fact that Mars' top-selling candy, M&Ms, was actually created in an odd kind of partnership between the two companies). Digging into the inner-workings of Hershey was as challenging as his experience investigating Mars, but along the way he learned much about the entire chocolate industry, from cocoa merchants to chefs to consumers in the candy aisle.

The Emperors of Chocolate is at its core a biography of the two men, Forrest Mars and Milton Hershey, who created and sustained the two companies. Brenner describes their contribution to American business to include "innovation and imagination and individuality. They built empires from dreams...." But in order to understand the men, Brenner also weaves in the histories and current iterations of each company. In total, *The Emperors of Chocolate* is a well-told, winding tale that will have you indulging until the very last pages.

Rather than diving into the companies' respective histories, Brenner opens his story with a surprising dilemma: Mars' attempt to save the company's operations in the Middle East during the Iraq invasion of Kuwait in 1990. Mars was one of the select companies allowed to continue shipping its products into the Middle East during the conflict, because the company also created such staples as instant rice necessary for the troops. Brenner then segues into Hershey's past relationship with the US military, particularly in creating the Field Ration D nutrition bar. In the 1990s, Hershey created another chocolate bar made specifically to resist the heat in the Middle East and marketed it with much fanfare. Hershey, it seemed, was THE candy supplier to the US military. But despite the popularity of the product, Mars captured the bid for non-melting candy bars in 1991. Hershey counter-attacked only to lose the battle months later. This story is the perfect example of the parry-then-riposte kind of relationship between the two companies.

"Gone is the jolly bifocaled confectioner who delighted in watching children gobble down mouthfuls of sweets. In his place are two giant competitors, Mars and Hershey.... In their candy kingdom, it's bar against bar—a chocolate slugfest."

After setting the stage with these more recent accounts, Brenner moves back in time to tell the rather bizarre life story of Milton Hershey, the creation of the signature Hershey chocolate bar, the development of Hershey, Pennsylvania as a utopian vision of its founder, and the legacy of Hershey's fortune. While Hershey enjoyed the creative side of making chocolate, he did not so much enjoy the business side. Milton Hershey's greatest interest was philanthropy, and he donated or willed away his entire fortune, leaving the running of the Hershey empire to his close friend, William Murrie, whom, Brenner says, should really be credited for the brand's success.

Brenner describes Forrest Mars as much the opposite. Mars loved business and was highly motivated to make his company number one. His business practices were exacting and he held his employees to high standards. He ranted, he raged, he nagged, and he alienated everyone, despite his “philosophy” of equality—a philosophy he used to justify modifying his employees’ wages depending on company sales. He also brought in Bruce Murrie, the son of Hershey’s Bill Murrie, to help him create M&Ms in 1940, although he never treated him as a partner and Murrie ultimately left the company. Mars demanded cleanliness and quality, efficiency and accuracy, to the point of taste testing the company’s pet food, reports Brenner. Even now, the Mars corporate offices are utilitarian and egalitarian with a focus on cleanliness and quality.

Throughout the 1980s and ’90s, big companies regularly ate the small. Now there are only a select few companies running all of the candy brands we are used to seeing in the grocery store. Mars and Hershey, “which together control 75% of the candy rack,” practice business as differently as their founding emperors, but both have helped to make life a little sweeter for all of us.

The Emperors of Chocolate: Inside the Secret World of Hershey and Mars, Broadway, Paperback 2000, ISBN 9780767904575

EVEN MORE » *The House of Mondavi* by Julia Flynn Siler

Kitchen Confidential

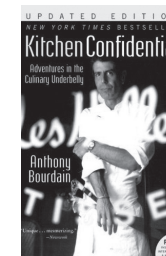
ANTHONY BOURDAIN

Some say Julia Child was the mother of the celebrity chef trend. But while many of us watched her show on PBS before the dawn of cable tv and even tried to copy her unique cadence and delivery just like Chevy Chase did on SNL, no one threw open the doors to the culinary industry like Anthony Bourdain. He may be a smaller name on the small screen than the current crop of megastar chefs such as Rachel Ray (who is presently America’s top earning celebrity chef pulling in \$26 million a year according to Forbes.com), Emeril Lagasse, and Bobby Flay, Bourdain sparked a public fascination with what goes on behind the scenes in our favorite restaurants. His book, *Kitchen Confidential*, showed us everything, using his love of food as a lens for his sometimes unrefined, but always insightful, observations.

Released in 2000, *Kitchen Confidential* is a memoir of sorts about an industry that is just as exciting and dark and creative as any story about Studio 54. Bourdain verified that in a restaurant kitchen, where a group of people work under acute pressure and often intense heat, with knives at the ready, and egos aplenty, the dam will certainly burst unless the pressure is released. The escapades Bourdain retells include sex, drugs, and culinary rock and roll. They also include some shocking “buyer beware” details.

Despite the explicit language and dramatic revelations, Bourdain’s intent was to tell the story of food, his relationship with it, and his relationship with other people in the culinary community—not, he writes, to “horrify the dining public.” “No,” he says, “I want to tell you about the dark recesses of the restaurant underbelly—a subculture whose centuries-old militaristic hierarchy and ethos of “rum, buggery and the lash” make for a mix of unwavering order and nerve-shattering chaos—because I find it all quite comfortable, like a nice warm bath.” And he makes it clear throughout that his love of food, which comes from his French ancestry and was awakened during his first trip to France as a youngster, is the inspiration for this book.

Kitchen Confidential reveals an unseen industry, one where a rigid hierarchy remains that more enlightened companies would never allow,



and where the kitchen is better described as a factory than studio favoring reproducibility over creativity. The manual labor and the hours are brutal, the incestuous nature of the industry can be career-killing, not everyone speaks English (which can be great for the diners' taste buds but terrible for establishing the kind of in-sync army needed to excel at each night's dinner service), and often a knack for organization makes a chef successful, moreso than expertise on how to cook a chicken.

While poking at the underbelly of the culinary industry, Bourdain's book also reveals why, despite his success as a traveler and writer of all things gastronomic, he is and will always be a chef first for whom "the cooking life has been a long love affair, with moments both sublime and ridiculous." And *Kitchen Confidential* is Bourdain's raw and unusual love letter to that life.

"For a moment, or a second, the pinched expressions of the cynical, world-weary, throat-cutting, miserable bastards we've all had to become disappears, when we're confronted with something as simple as a plate of food."

Kitchen Confidential, Harper Perennial, Updated, Paperback 2007, ISBN 9780060899226

EVEN MORE » *Fast Food Nation* by Eric Schlosser

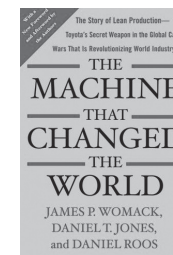
The Machine that Changed the World

JAMES P. WOMACK, DANIEL T. JONES, AND DANIEL ROOS

It is difficult to review a book about the global automotive industry without reflecting on the current disastrous state of American car companies. This state of decline has been in the making for nearly three decades since the Japanese car company, Toyota, refined its lean production system and set it up successfully against the mass production system of a company like GM. In fact, at the dawn of 2009, Toyota was declared the #1 global automaker.

The Machine that Changed the World, written in 1990 and based on a massive MIT study of industrial competition, reveals the details of Toyota's system and predicts its now-indisputable success. With extensive access to personnel and executives both from failing and succeeding companies within the automotive industry, the authors offer an unparalleled look at mass versus lean production and explain why lean has taken the lead. But what also makes this book essential industry reading is just how far-reaching and assimilative its applications are for every other type of business endeavor.

The authors first explain that the automotive industry has "[t]wice in this century...changed our most fundamental ideas of how we make things. And how we make things dictates not only how we work but what we buy, how we think, and the way we live." Originally, people made things by hand, but when cost and time became unmanageable, the automotive industry specifically introduced mass production. Then, when mass production still did not offer the highest cost efficiencies, the lean production method was born and became the disruptive innovation in manufacturing. Mass production is based around lowering costs through batch production. Bigger batches, lower costs. Lean is about producing one at a time, literally. You make what you need when you need it. At first, it seems like this wouldn't work, but when you consider losses from quality problems, the costs of inventory sitting and waiting for something to happen, lean wins every time.



So why has the American auto industry refused to adopt this effective production system or understand the significance of the loss of market share they've experienced? In part, the authors tell us, because its reaction to the burgeoning Japanese manufacturers was to concentrate on competition and trade issues as opposed to refining its own system. And, in part, because it is extremely difficult to switch horses mid-stream in an industry that is as massive and widespread across differing companies and countries as the automotive industry.

“Thus, the auto industry once more changed the world and has become the global symbol of the new era of lean production.”

The Machine that Changed the World begins with an enumeration of the research the authors did to prepare this “report,” next takes an engaging look at the life cycle of mass production through the histories of Ford and GM, and then looks at the birth of lean production. In the remaining sections of the book, the authors discuss the five main elements of lean production using language that is understandable even to the novice. They begin with the segment of automotive manufacturing that we have all seen glimpses of in news stories: the assembly plant. But the authors remind us that the factory is only a small part of the process—the designing and engineering, the complicated supply chain, the sales system for moving the product into the hands and garages of consumers, and finally a lean approach to management, must also be refined.

Womack, Jones and Roos are adamant “that the whole world should adopt lean production, and as quickly as possible,” and they close their book suggesting changes that any industry can make to adopt the lean ap-

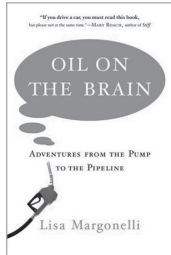
proach. However, in the afterword written in 2007, the authors acknowledge that much has been learned about the Japanese production system since they first presented the lean approach in 1990 and it is a system that is inherently evolving. They conclude by still rooting for lean production methods to be applied across all industries, and after reading *The Machine that Changed the World*, you can't help but wonder what the American automotive industry would look like today had it adopted the lean approach to manufacturing 30 years ago.

The Machine That Changed the World: The Story of Lean Production—Toyota's Secret Weapon in the Global Car Wars That is Now Revolutionizing World Industry, Free Press, Paperback 2007, ISBN 9780743299794

EVEN MORE ▶ *Zoom* by Vijay Vaitheeswaran and Iain Carson

Oil on the Brain

LISA MARGONELLI



Journalist Lisa Margonelli became fascinated with oil's stranglehold on American society while researching a story about an oil spill. So she started talking to people in the industry, and the more she talked, the further away she felt from the real things that influence energy production. In *Oil on the Brain*, she walks the reader back through the entire process by which gasoline gets into your automobile's tank.

The book starts at the end of that process—at Twin Peaks Petroleum. Owner Michael Gharib operates the independent gas station in San Francisco and says he makes more money selling water than gasoline. Industry statistics say he loses over \$11,000 a year in “merchandise shrinkage.” For Gharib, it was even worse: a manager stole \$70,000 from him over an 18-month period. Clearly, owning a gas station is no way to make money.

places where she isn't afraid to engage with the locals. She rides with fuel delivery driver Roger who can't drive over 50 miles an hour for fear of losing his license, visits the “molecular butchery” (i.e., refinery) in Carson, California, and flies to Chad to find out how oil will change the tenth poorest country in the world. She relays interesting tidbits of information that are both mundane and profound, such as car buyers ranking the number of cup holders above fuel economy, that ultimately expose the rather mind-boggling intricacies of the oil industry.

So what did Margonelli ultimately learn at the end of her travels? She learned through experience what we have only a vague sense about: that the price of gas is more than a hit to our pocketbook. The taken-for-granted process of getting gas in our tanks is actually an intricate drama replete with foreign locales, lost lives, an endangered earth. Margonelli is not one to preach; that is not the purpose of her book. But any reader will find it difficult to ignore his or her own part in this drama, to not question his or her relationship with gas, to not have oil on the brain. *Oil on the Brain* is a *How Things Work* book that reads like a Grisham novel: the perfect industry book. (Adapted from Jack Covert Selects, February 2007.)

Oil on the Brain: Adventures from the Pump to the Pipeline, Nan A. Talese/Doubleday, Hardcover 2007, ISBN 9780385511452

EVEN MORE » *Big Coal* by Jeff Goodell

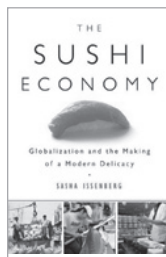
“Traffic jams are a symptom of prosperity.”

Margonelli skillfully weaves germane facts about gas consumerism—(“Between 2003 and 2005, the price of gasoline increased by an average of 77 cents a gallon... But when the Harris poll asked people to estimate how much more they were spending per month on gas than in previous years... they overestimated gas price increases by nearly four times.”)—with humorous anecdotes—(“I’ve come to the gas station to watch Americans buy gasoline, as a way of understanding how we fit into the trillion-dollar world oil economy. But now that I’m here, I realize...there’s nothing to see.... Gas stations are everywhere, but when you’re in one, you’re nowhere in particular.”)—that will have you nodding and chuckling.

Margonelli’s curiosity and subsequent travels take her to interesting

The Sushi Economy

SASHA ISSENBERG



Thanks to authors like Malcolm Gladwell and books like Pietra Rivoli's *The Travels of a T-Shirt in the Global Economy*, the standard for industry books continues to rise. It is a challenge for these narrow-focus books to work because the writer must be able to tell a good story as well as do in-depth reporting. Fortunately, Sasha Issenberg is a fine storyteller, consistently peppering *The Sushi Economy* with fun and insightful commentary about an interesting subject: the rise of sushi from a pesky

problem for fishermen to a luxury commodity in the global marketplace.

The northern blue fin tuna is a key ingredient of quality sushi, and in 1991, the price for the fish approached \$36 per pound. In order to reduce the price, groups in Canada and Japan brokered a deal. Sound like strange bedfellows? Well, at that time, fishermen in Canada considered the fish a menace to other species because they competed for food with the herring and mackerel. At the same time, Japan Airlines wanted more freight for their planes returning to Japan. Solution granted. But it wasn't easy, and Issenberg tells us of the different methods of preserving fish for the long trip and how the fish mongers in Tokyo received the fish from Canada. He also explains how the Tsuliji fish market in Tokyo works and the amazing amount of fish that are processed there daily, how the fish that are "farmed" are treated differently from those caught in the wild, and how the vendors bid on and then resell the product.

“Eating at a sushi bar, then, is not so much an escape from fast-paced global commerce as an immersion in it.”

The Sushi Economy isn't just about the fish; it is also about how sushi has grown in popularity. Focusing on Los Angeles as the place where sushi got its foothold in the U.S., Issenberg goes into the nuts and bolts of the food distribution system. He follows a small slab of tuna that, by the time it hits a small sushi bar in L.A., has changed hands—clean hands, hopefully—nine times in three days. The book also features some of the great chefs, focusing on Nobu Matsuhisa, a famed chef known for his fusion cooking and incorporating Japanese and South American ingredients.

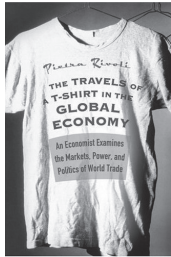
The world is now an international marketplace, and we can partake in foods from any place imaginable, often found just around the corner. But it is also essential that we understand where our food comes from and the effect its commercial popularity has on its country of origin. Issenberg's book will take you on a trip around the world, then back to your seat at your favorite neighborhood sushi restaurant a good deal smarter than when you first began it.

The Sushi Economy: Globalization and the Making of a Modern Delicacy, Gotham, Paperback 2008, ISBN 9781592402946

EVEN MORE » *The Omnivore's Dilemma* by Michael Pollan

The Travels of a T-Shirt in the Global Economy

PIETRA RIVOLI



Pietra Rivoli, an economics professor at Georgetown, set out on a mission after hearing a speech given by a young woman during the 1999 World Trade Organization demonstrations. “Who made your T-shirt?” [the woman] asked the crowd. “Was it a child in Vietnam, chained to a sewing machine without food or water? Or a young girl from India earning 18 cents per hour and allowed to visit the bathroom only twice per day? Did you know that she lives 12 to a room? That she shares her bed and has only gruel to eat? That she is forced to work 90 hours per week, without overtime pay? Did you know that she has no right to speak out, no right to unionize? That she lives not only in poverty, but also in filth and sickness, all in the name of Nike’s profits?”

These questions peaked Rivoli’s curiosity and she determined to find the answers by researching the life cycle of a T-shirt. And what she found was a much more nuanced reality than implied by the protester who first posed the questions. It is this complexity that makes this book a riveting read from start to finish.

In a chapter titled “Sisters in Time” that responds directly to that anti-globalization protester’s queries, Rivoli is at her best when describing the history of women’s work in the production of textiles. First she introduces us to Jiang Lan, who fixes broken thread in a yarn factory six days a week. While Jiang Lan offers up no complaints about her situation, Rivoli shows just how restricted Jiang Lan is in her ability to make choices about her life. “The Chinese government controls Jiang Lan’s life in ways that are bad for China’s human rights record but very good for the production of T-shirts.” The idiom, cogs in the wheel, comes to mind. And those cogs? Commonly women. Women, who if asked as Jiang Lan was asked, would also offer up no complaint, because there are always worse situations. Despite the rather desperate circumstances most of us imagine when visualizing work in a sweatshop, Rivoli makes clear that this work offers benefits to women that were unimaginable before globalization. In one chill-inducing passage, Rivoli writes: “As generations of mill girls and seamstresses from Europe, America, and Asia are

bound together by this common sweatshop experience...they are bound together too by one absolute certainty, shared across both oceans and centuries: *This beats the hell out of life on the farm.*” Though Rivoli certainly does not ignore the hardships of life in the sweatshops, she does warn that wishing away globalization would, in effect, be a grave detriment to some, particularly women.

In “Perverse Effects and Unintended Consequences,” another chapter where Rivoli does not simply accept the more rote beliefs about the dangers of globalization, she addresses the commonly held belief that China is the enemy in this war for manufacturing jobs. While governmental action has been taken to insure that the West keeps a certain amount of textile and apparel manufacturing jobs—and most people who proudly display the “Made in the USA” label champion those attempts—these steps actually ignore a sobering fact of the industry: that technological advances are actually far more to blame for the hit to apparel manufacturing. “In short,” Rivoli writes, “textile jobs are not going to China; textile jobs are just going, period.”

“For centuries, trade was a subject of moral and religious debate, rather than a subject for economic analysis.”

Rivoli then follows her T-shirt to the used bin, and subsequently, to Third World countries where the majority of First World textiles go. “There are nowhere near enough poor people in America to absorb the mountains of castoffs, even if they were given away.” Some Western entrepreneurs, she reports, would like to recycle the garments, while African entrepreneurs find ways to make their own money by selling used garments in markets (the smaller sizes go for more, she explains, as rarely are any country’s people as hefty as Americans). She emphasizes just how peculiar it is that one of the only times her T-shirt is actually part of the free market is when it has been discarded.

The Travels of a T-Shirt in the Global Economy was a finalist for the FT/Goldman Sachs Business Book Award in 2005 and gives Thomas Friedman's *The World is Flat* a run for its money as the best book written about modern globalization. While the premise of Rivioli's book may seem small—the lifecycle of a T-shirt—it delivers a global-sized message. “To either glorify or vilify the markets is to dangerously oversimplify the world of trade,” she writes in her conclusion, and it is this acknowledgment of the complexity of globalization that exposes the true wisdom of the book. It also serves as a warning to all of us wearing our disposable garments while waving an angry finger at globalization. Kudos to Pietra Rivioli for reminding us to look closely at our own actions, from what we choose to wear to whom we choose to blame. (Adapted from Jack Covert Selects, November 2005.)

The Travels of a T-Shirt in the Global Economy: An Economist Examines the Markets, Power, and Politics of World Trade, Wiley, Hardcover 2005, ISBN 9780471648499

EVEN MORE » *The World is Flat* by Thomas Friedman

The Wal-Mart Effect

CHARLES FISHMAN

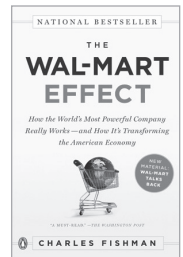
No other company has reached the size and status of Wal-Mart. Its persistent focus on cost and efficiency has made it the dominant force in the world economy, setting the standard in packaging, product design, and business practices. With *The Wal-Mart Effect*, Charles Fishman shows how the Bentonville behemoth continues to change business as we know it.

Fishman carefully lays out a non-partisan tour showing how our lives are changed, both good and bad, by the business decisions that this massive company makes and the power it exerts. He details how the low prices it promises affect the producers all the way back to raw materials. And, in doing so, he tells success stories, disturbing stories, and stories that may make you question your purchasing habits.

The Wal-Mart Effect is not a diatribe against the company. Fishman makes clear that what critics often don't understand is that Wal-Mart enables products to be sold for less at other stores, too, because in selling so many of those same products, it drives down production costs. Fishman explains “everyone gets a deal because of Wal-Mart. Wal-Mart literally pays to turn the factory on.”

Are customers, ordinary folks, saving money due to the lower prices and the efficiencies offered by Wal-Mart? Certainly. But Fishman makes clear that the ramifications of Wal-Mart's low prices must also be weighed against these advantages. In discourse about the Wal-Mart effect, many may argue that if local companies or Wal-Mart's competitors can't keep up, that's just fair business. Yet, the habits of a culture often inform that very culture, and thus, the choices we make in the name of a good bargain have an impact.

Even with the intent to write a balanced review of Wal-Mart, Fishman found that Wal-Mart, its suppliers, or partners, are not willing or able to talk about Wal-Mart. It makes for an incomplete picture, maybe even a dangerous one given the power Wal-Mart has on our economy, he acknowledges, and its silence regarding its business practices doesn't



help to dispel any of the questions surrounding the company. “Each year, Wal-Mart sells more by Saint Patrick’s Day, March 17, than Target sells all year.” With that kind of horsepower, he seems to imply, perhaps some transparency would be welcome. And, as it turns out, he gets some.

Fishman includes an afterword in the revised paperback edition from 2006 that details his visit to Wal-Mart’s headquarters after his book became a best seller, although he was refused entrance during the two years he spent researching the book. Wal-Mart had made some changes and seemed eager to air them. It had committed to a greener approach to business practices, such as reducing greenhouse gas emissions from its fleet of trucks and stores and enacting regulations on shrimp farming. It also improved health benefits for its employees, which had been one of the critics’ favorite censures of the company. Fishman also lauds Wal-Mart for responding to Katrina in a way that was more efficient and helpful than that of the US government.

“Many things go unappreciated about Wal-Mart. One is this: The company often knows exactly what it wants and is willing to wait—not always patiently—to get what it wants.”

Charles Fishman’s writing is best exemplified by his ability to successfully meld mood and drama with detail and exposition. He is able to make real, and even beautiful, a mundane object. Take, for example, a jar of pickles: “A gallon-sized jar of whole pickles is something to behold. The jar itself is the size of an aquarium. The fat green pickles, floating in swampy juice, look reptilian, their shapes exaggerated by the glass of the jar. The jar weighs twelve pounds, too big to carry with one hand.” Yet he never sacrifices analysis for flourishes. In the chapter, “The Man Who Said No to Wal-Mart,” Fishman discusses the companies such as Target and Whole Foods that are successfully competing against Wal-Mart by focusing “on things besides price: design, fashion, quality, cachet, the

feel of the shopping experience,” concluding that this way of competing against Wal-Mart “leaves a little more room for fun, and for profit.”

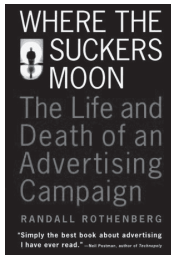
Fishman’s well-balanced look at the Wal-Mart effect is engrossing, not only because of this type of fine writing, but also because Wal-Mart’s story is our story, the story of our everyday decisions. *The Wal-Mart Effect* may make you both more sympathetic and more impatient with the work Wal-Mart does in the world.

The Wal-Mart Effect: How the World’s Most Powerful Company Really Works—And How It’s Transforming the American Economy, Penguin, Paperback 2006, ISBN 9780143038788

EVEN MORE » *Category Killers* by Robert Spector

Where the Suckers Moon

RANDALL ROTHENBERG



Critics fawn over the American Movie Channel's television series *Mad Men*. The show depicts the advertising industry in New York in the 1960s, replete with gray flannel suits, sexy secretaries, and the clink of ice in two fingers of scotch, focusing on the ad agency's dashing top man, Don Draper. Despite the critical acclaim, however, viewership is low and the show's longevity is uncertain. So, if settling down for an hour a week with Don and his precarious television future doesn't interest

you, pick up a copy of *Where the Suckers Moon* by Randall Rothenberg instead for a rousing non-fictional tale of the advertising industry in the early 1990s.

In the first section of his book, Rothenberg describes Subaru's key dilemma: how to change its image. In the 1980s, Subaru was a dependable and no-nonsense car brand that imported dependable and no-nonsense Japanese cars. Despite its success, Rothenberg reports, "Within a year, Subaru went from darling to dog in the eyes of Wall Street." Why? Image. Or so they thought. So, dropping its long-time ad partner, Subaru went agency shopping.

Using a complicated numeric system, Wackman and his team culled the list of potential agencies down to five, focusing on those that did not yet have car accounts but were big enough to handle one. Within those agencies, the team looked for three things: rationality and relevance... and a good gut feeling. Rothenberg describes an agency's experience of pitching to a client "as arduous and exhilarating as a baseball team's season-long trek to the World Series, and sometimes as lonely and cold as a figure skater's preparation for the Winter Olympics." This is one example of Rothenberg's ability to dig deeply into the character's experience in this advertising drama, opening his world up to the reader. Without doubt, you will find yourself rooting for Wackman, Subaru, and the ad agencies, cheering for their business success just as you would if you were supporting your local team.

After laying out the rather odd history of Subaru (the company was born as an importer of cars, not a manufacturer), Rothenberg recounts the pitches of the agency finalists. Here he illuminates some of the hidden challenges facing the agencies in their attempts to strike just the right pitch in this new world of car accounts. "Dealers (in the conventional wisdom that prevails in the automobile industry) dislike humor, narrative, irony and urban settings; they like ads with country roads, babies, dogs, leggy women, sheet metal and implied or overt competitor-bashing." Just take a look at the decals you see on the back of a Ford or a Chevy today, or the local dealership commercials, and you will note that this conventional wisdom still holds strong 15 years after this book was published.

"Marketing is considered a science. Few would be foolish enough to make that claim about advertising."

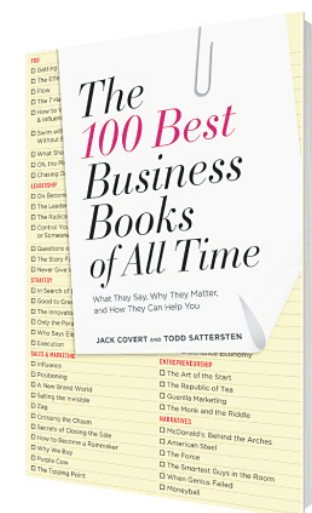
Wackman and Subaru do indeed hire an agency to reinvent their image and Rothenberg then gives a detailed retelling of the process of creating a slogan and making the winning commercial spot. There was much optimism surrounding the slogan: "Subaru. What to Drive." Unfortunately, despite the optimism, Subaru had a failed campaign on their hands. There were a variety of factors that led to this failure—infighting among the ad execs, lack of precision in local treatment of the national ads, the difficulty of selling cars in a recession, and, most importantly, a muddled image of just what a Subaru was. It is a surprising ending, though Rothenberg also includes stories throughout of successful ad campaigns to give contrast to the doom-and-gloom of Subaru's story.

Ultimately, Rothenberg concludes, no ad campaign could change public perception. The reality was that Subaru was considered a dependable car, not a showy car, and the advertising needed to anchor itself in that reality. By 1992, Chris Wackman had left Subaru. By 1993, the advertising agency he had hired had been let go. And by 1994, Subaru had a new ad agency and a new slogan, one just right to sell a good, solid car

in an improved economy. Rothenberg reminds us of the lesson Subaru learned: “To succeed, advertising cannot seek to invent a new soul. Instead it must reinforce and redirect the existing image.” Whether in 1991 or 2009, the lessons in *Where the Suckers Moon* are timeless, and tucked in effortlessly amid this detailed “coming of age” story about a company’s search for identity.

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Where the Suckers Moon: The Life and Death of an Advertising Campaign, Vintage, Paperback 1995, ISBN 9780679740421

EVEN MORE » *Wordcraft* by Alex Frankel



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